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IN THE

Supreme Court of the United States

October Term, 1969.

No. 424

FMC CORPORATION,

Petitioner,

vs.

PAPER CONVERTING MACHINE CO., INC.,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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THE GUNTHORP-WARREN PRINTING COMPANY, CHICAGO

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By failing to set forth any Seventh Circuit decisions in its petition, FMC Corporation gives this Court an erroneous impression. From a reading of pages 8-15 of the petition, it would seem that the Seventh Circuit is out of step with the First, Second, Third, Fifth, Sixth, Eighth, and Ninth Circuits in adhering to the analysis specified in *Graham* v. *John Deere Co.*, 383 U. S. 1, 17 (1966). However, the opinion in the case of *Cloud* v. *Standard Packaging Corporation*, 376 F. 2d 384, 391 (7th Cir. 1967) demonstrates the adherence of the Court of Appeals below:

> "The analytical steps which a court must take in order to determine the issue of validity under sec. 103 have been clearly described:

> '* * * Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. * * *' "

In the foregoing quotation, the Court of Appeals made express reference to the analysis portion of the opinion in *Graham* v. *John Deere Co., supra.*

Subsequent to the opinion in *Cloud* v. *Standard Packaging Corporation,* and prior to the decision complained of herein, the Court of Appeals for the Seventh Circuit reiterated this same position in the following cases:

Gass v. *Montgomery Ward & Co.,* 387 F. 2d 129 (1967) at page 130.

United States Gypsum Company v. *National Gypsum Company,* 387 F. 2d 799 (1967) at page 801.

Ortman v. *Maass,* 391 F. 2d 677 (1968) at page 681.

Nordberg Manufacturing Co. v. *Jackson Vibrators, Inc.,* 393 F. 2d 192 (1968) at page 195.

National Dairy Products Corporation v. *Borden Company,* 394 F. 2d 887 (1968) at page 889.

Howe v. *General Motors Corporation,* 401 F. 2d 73 (1968) at page 74.

Great Lakes Stamp & Mfg. Co. v. *Reese Finer Foods, Inc.,* 402 F. 2d 346 (1968) at pages 349-351.

Amerline Corporation v. *Cosmo Plastics Company,* 407 F. 2d 666 (1969) at page 668.

These nine citations, omitted from the petition, demonstrate that, if anything, the judges on the bench of the

Court of Appeals for the Seventh Circuit have faithfully followed the dictates of this Court, and there is no conflict with the other Courts of Appeals.

The argument of petitioner that the Court below invoked some species of estoppel (represented as being contrary to *Lear* v. *Adkins*, ... U. S. ....., 23 L. Ed. 2d 610) is equally fallacious. This time, petitioner conveniently ignores the following statement from the Court of Appeals in the opinion below, *Paper Converting Machine Co., Inc.* v. *FMC Corp.*, 409 F. 2d 344, 350 (1969):

> "Of course, we recognize that it has been held that a court cannot be estopped from inquiring into the issue of validity by agreement or conduct of the parties . . ."

Rather than relying on any species of estoppel, the Court below based its opinion on the facts as adduced at the trial —and the facts relative to validity were completely within the control of FMC. The fact of the matter is that FMC did not go into the issue of validity, notwithstanding certain contentions made during the opening statement and relied upon in the petition. The true posture of the case vis-a-vis validity is shown by the statement in the conclusion to FMC's second post-trial brief:

> "Validity of the Kwitek patent has been disposed of as an issue herein and the owners of the patent possess a legal monopoly."

This prompted the colloquy reproduced in the opinion below, 409 F. 2d 344 at 348. The Trial Court made amply sure that this was the clear intention of FMC.

This Court will recognize that this case was not given any "once over lightly" treatment. There were six years of discovery, four pretrial conferences, a three-week trial, four post-trial briefs, and a whole day of post-brief oral

argument. At all times, FMC was represented by three competent patent attorneys.

Even though FMC presents this petition in terms of questions of law, it keeps referring to the facts—again conveniently ignoring certain salient facts. One such instance has a distinct bearing on the "scope and content of the prior art." This is the fact that FMC canvassed all of the large producers of toilet paper in an attempt to invalidate the patent. FMC even went so far afield as to talk to Minnesota Mining and Dow Chemical—FMC being able to get into many places a smaller company could not hope to enter (Finding 47, R. 1675). This testimony was brought out by Plaintiff, not FMC (R. 772-3). The extent of FMC's evidence on validity was a brief description of certain prior art patents. The only conclusion that was drawn therefrom was on cross-examination—that none was closer that the patents considered by the Patent Office (Finding 47, R. 1675).

As to the differences between the prior art and the claims at issue, it can be seen that the Trial Court presented these in clear, understandable form in Findings 4-8 and 47-48 (R. 1656-9 and 1675-6). Because FMC insisted at the trial that the only issue was infringement, certain prior art patents were investigated in even greater depth than is ordinarily the case in order to determine whether file wrapper estoppel was present.

The level of ordinary skill in the art was represented by engineers present as witnesses. The Trial Court had the opportunity of hearing and seeing petitioner's engineers as they told of the steps they took over six years in attacking the problem solved by the invention of the patent in suit (Findings 7 and 14-21, R. 1658 and 1660-2).[1]

1. The footnote on page 5 of the petition is misleading—at that point FMC's counsel was dealing with copying, not validity. What the witness Barlament did say relative to obviousness was:

"Q. Now you didn't come up with any kind of workable

In short, the petition misconstrues the colloquies between the Court and counsel. Objective analysis of the colloquies and briefs shows that beyond any doubt FMC represented to the Court that it need not give any further consideration to the defense of invalidity. That the Court of Appeals was able to go into the validity issue at all was not attributable to FMC, but to the Trial Court's opinion and findings. About the only complaint that FMC has is that the highly readable Trial Court opinion (and findings patterned thereafter) do not have in *haec verba* the words of this Court set out as subheadings. Because the spirit of the *Graham* v. *John Deere Co.* analysis was followed below, and because any departure from its letter was due to FMC's own action in unequivocally abandoning the validity issue, it is respectfully submitted that the petition should be denied.

Very respectfully,

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idea during the period 1947 to 1956 for solving this problem of providing clean cut perforation, did you?

"A. No, sir." (R. 590.)

Barlament's testimony is especially damaging to FMC because he was its chief engineer.